

MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Type of Requestor: (X) HCP () IE () IC	Response Timely Filed? () Yes (X) No
Requestor Spring Branch Medical Center c/o Hollaway & Gumbert 3701 Kirby Dr., Ste. 1288 Houston, TX 77098-3926	MDR Tracking No.: M4-03-4874-01
	TWCC No.:
	Injured Employee's Name:
Respondent ZC Insurance Rep. Box # 39	Date of Injury:
	Employer's Name: Superior Waterbeds Inc.
	Insurance Carrier's No.: 690C85633

PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
7-11-02	8-16-02	Inpatient Hospitalization	\$176,640.23	\$80,992.49

PART III: REQUESTOR'S POSITION SUMMARY

Per stop-loss threshold as total charges exceeds \$40K. Calculation of stop-loss reimbursement is \$141,049.15 (total billed) X SLRF (75%) = \$105,786.86 total allowable.

PART IV: RESPONDENT'S POSITION SUMMARY

Paid per diem plus carve-outs; only 3 days preauth no additional dates requested.

PART V: MEDICAL DISPUTE RESOLUTION REVIEW SUMMARY, METHODOLOGY, AND/OR EXPLANATION

This dispute relates to inpatient services provided in hospital setting with reimbursement subject to the provisions of Rule 134.401 (Acute Care Inpatient Hospital Fee Guideline). The hospital has requested reimbursement according to the stop-loss method contained in that rule. Rule 134.401(c)(6) establishes that the stop-loss method is to be used for "unusually costly services." The explanation that follows this paragraph indicates that in order to determine if "unusually costly services" were provided, the admission must not only exceed \$40,000 in total audited charges, but also involve "unusually extensive services."

Operative report indicates that claimant underwent anterior retroperitoneal approach to the lumbar spine; anterior lumbar discectomy and decompression of the spinal canal at L4-5 and L5-S1; anterior lumbar interbody instrumentation (one carbon fiber lordotic cage L4-5 and two Harms titanium cages at L5-S10; anterior lumbar interbody arthrodesis at L4-5 and L5-S1; and anterior lumbar instrumentation L5-S1 with titanium retaining plate.

A subsequent operation was performed, not dated, indicates claimant underwent, removal of posterior spinal segmental hardware; exploration of posterior lumbar fusion mass L5, S1; excision of pseudoarthrosis at L5, S1; right lumbar hemilaminectomy, foraminotomy and nerve decompression L4-S1; Left lumbar hemilaminectomy, foraminotomy and nerve decompression L4-S1; Posterior spinal segmental instrumentation L4 to S1 with Momm Miami titanium rods and screws; Posterolateral arthrodesis at L4-S1; Harvesting right posterior iliac crest morcellized autograft through a separate fascial incision; and Insertion of lumbar catheter at L3 for postop pain management.

On 8-3-02 the claimant underwent fluoroscopic examination of the lumbar spine; fluoroscopic visualization and placement of a 22-gauge needle 3 1/2 inches at the left sacroliliac joint; Sacroliliac joint arthrogram; and Sacroiliac joint injection with 0.25% Marcaine and DepoMedrol, a total of 80 mg under fluoroscopy.

The discharge summary indicates that claimant "was taken to surgery on the day of admission and spent an uneventful night in the

ICU...The patient had a very rough time in the hospital from a pain management standpoint...CT myelogram...interpretation was very difficult, Dr. Jim Cane...felt the myelogram looked good...It is important to stress that every day of this very complicated patient's hospitalization was medically necessary. He actually had a quite a bit of delay in getting the CT myelogram because of technical reasons and insurance reasons...the patient's pain management was extremely complicated."

The reconsideration EOB denials for the inpatient hospitalization were the following:

The room/board was based upon, "M – The following adjustment has been made to the invoice following hospital audit." Rule 134.401 provides for reimbursement methodology for hospitalization.

The ICU was denied based upon, "F-Submitted services were repriced in accordance with state per diem guidelines." The carrier paid \$0.00 which was not in accordance with Rule 134.401.

Pharmacy was denied based upon A – Pre-Authorization not obtained. Rule 134.600 does not require preauthorization for pharmacy.

Supply/Implants were reduced based upon "M." Rule 134.401 provides for reimbursement for carve outs.

All other services were denied based upon "F." Hospitalization will be reviewed in accordance with Rule 134.401.

After reviewing the documentation provided by both parties, it **does** appear that this particular admission involved "unusually extensive services." In particular, this admission resulted in a hospital stay of 36 days based upon subsequent operation. Accordingly, the stop-loss method does apply and the reimbursement is to be based on the stop-loss methodology.

The requestor billed \$141,049.15 for the hospitalization. In determining the total audited charges, it must be noted that the insurance carrier has indicated some question regarding the charges for the implantables. The requestor billed \$32,112.10 for the implantables. The actual cost for the implants per invoices was \$11,905.10.

Based on a review of numerous medical disputes and our experience, the average markup for implantables in many hospitals is 200%. Since the requestor did not present any documentation supporting their charge, we will apply this average mark-up to the cost amount derived from the invoices in order to determine the amount to use in the total audited charges. This amount multiplied by the average mark-up of 200% results in an audited charge for implantables equal to \$23,810.20.

The audited charges for this admission, excluding implantables, equals \$108,937.05. This amount plus the above calculated audited charges for the implantables equals \$132,747.25, the total audited charges. This amount multiplied by the stop-loss reimbursement factor (75%) results in a workers' compensation reimbursement amount equal to \$99,560.43.

The insurance carrier audited the bill and paid \$18,567.94 for the inpatient hospitalization. The difference between amount paid and amount due = \$80,992.49.

Based on the facts of this situation, the parties' positions, and the application of the provisions of Rule 134.401(c), we find that the health care provider is entitled to a reimbursement amount for these services equal to \$80,992.49.

PART VI: COMMISSION DECISION AND ORDER

Based upon the review of the disputed healthcare services, the Medical Review Division has determined that the requestor is entitled to additional reimbursement in the amount of \$80,992.49. The Division hereby **ORDERS** the insurance carrier to remit this amount plus all accrued interest due at the time of payment to the Requestor within 20-days of receipt of this Order.

Ordered by:

Allen McDonald, Director

05/04/05

Authorized Signature

Typed Name

Date of Order

Decision by:

Elizabeth Pickle

05/04/05

Authorized Signature

Typed Name

Date of Order

PART VII: YOUR RIGHT TO REQUEST A HEARING

Either party to this medical dispute may disagree with all or part of the Decision and has a right to request a hearing. A request for a hearing must be in writing and it must be received by the TWCC Chief Clerk of Proceedings/Appeals Clerk within 20 (twenty) days of your receipt of this decision (28 Texas Administrative Code § 148.3). This Decision was mailed to the health care provider and placed in the Austin Representatives box on _____. This Decision is deemed received by you five days after it was mailed and the first working day after the date the Decision was placed in the Austin Representative's box (28 Texas Administrative Code § 102.5(d)). A request for a hearing should be sent to: Chief Clerk of Proceedings/Appeals Clerk, P.O. Box 17787, Austin, Texas, 78744 or faxed to (512) 804-4011. A copy of this Decision should be attached to the request.

The party appealing the Division's Decision shall deliver a copy of their written request for a hearing to the opposing party involved in the dispute.

Si prefiere hablar con una persona in español acerca de ésta correspondencia, favor de llamar a 512-804-4812.

PART VIII: INSURANCE CARRIER DELIVERY CERTIFICATION

I hereby verify that I received a copy of this Decision in the Austin Representative's box.

Signature of Insurance Carrier: _____ Date: _____